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FIRST U.S. CONVICTIONS IN LARGEST EVER MULTINATIONAL INVESTIGATION **OF INTERNET PIRACY**

WASHINGTON, D.C. - Assistant Attorney General Christopher A. Wray of the Criminal Division and U.S. Attorney Kevin J. O'Connor of the District of Connecticut announced today that three men have pleaded guilty to charges of conspiracy to commit criminal copyright infringement in the first U.S. cases to be brought as a result of an 18-month, multinational software piracy investigation known as "Operation Higher Education."

Seth Kleinberg, 26, of Pasadena, California; Jeffrey Lerman, 20, of College Park, Maryland; and Albert Bryndzda, 32, of Flushing, New York, pleaded guilty to felony charges of conspiracy to commit criminal copyright infringement this morning in U.S. District Court in New Haven, Connecticut, before U.S. Magistrate Judge Donna F. Martinez. Kleinberg faces a maximum sentence of 10 years in prison, and Lerman and Bryndzda each face up to five years in prison.

"Higher Education" is the largest component of the global law enforcement action known as "Operation Fastlink," announced by the Department of Justice on April 22, 2004. Twelve nations participated in "Higher Education."

"Cybercrime and online piracy respect no boundaries," said Assistant Attorney General Wray. "Operation Higher Education, and the broader Operation Fastlink of which it is a significant part, are just another step in our increasingly global effort to target organized online piracy at all levels and around the world."

In pleading guilty to the felony charges, Kleinberg, Lerman and Bryndzda admitted to having prominent or leadership roles in some of the most notorious online piracy release groups in the

world, among them Fairlight and Kalisto, which specialized in the illegal distribution of computer games, including PC and console games. “Operation Higher Education” focused on the highest levels of these so-called “release groups.” The top release groups, also frequently referred to as “warez groups,” are the first-providers - the original source for the illegal trading and online distribution of pirated works. Once a release group prepares a stolen work for distribution, the material is distributed in minutes to secure, top-level servers and made available to a select clientele. From there, within a matter of hours, the pirated works are illegally distributed throughout the world, ending up on public channels on IRC and peer-to-peer file sharing networks accessible to anyone with Internet access.

“Stealing the intellectual property of others is no different from any other form of thievery,” said U. S. Attorney Kevin J. O'Connor. “It is a priority of this Office and the Department of Justice to protect the intellectual property rights of our nation’s inventors and creators, regardless of where the pirates are located.”

According to documents filed in federal court, Kleinberg admitted that he was a senior member of Fairlight and Kalisto. Using the online nickname “basilisk,” Kleinberg provided various services to Fairlight and Kalisto, including supplying those groups with new software titles, assisting in the “cracking” process (i.e., disabling copyright protection measures that are embedded on the software), and serving as a courier to distribute the pirated works to various servers around the world. Lerman admitted that he was a “ripper” for the Kalisto group, which meant that he digitally manipulated the constituent files of pirated copies of computer games so that each game would fit on a single CD-ROM, in order to eliminate or circumvent the games’ copy protection controls (to allow for unauthorized duplication) and to make it easier to illegally distribute the games over the Internet. For his part, Brynzda admitted to having built and operated two large servers that he, with the assistance of others, connected to the Internet for the use of members of the Fairlight and Kalisto groups (among others) to store and distribute thousands of titles of pirated software and other digital media.

Release groups are hierarchical, highly-structured organizations with leadership positions that control day-to-day operations, recruit new members, and manage the group’s various computer archive sites. These groups exist solely to engage in piracy and compete with each other to be the first to place a newly pirated work onto the Internet, often before the work is legitimately available to the public. The groups employ highly sophisticated technological measures to shield their illegal activity from victims and law enforcement.

Because the membership of these groups spanned numerous countries around the world, the investigation required the close collaboration and coordination of law enforcement officials in a dozen countries over several months. The investigation has so far yielded searches and seizures of over 70 high-level targets that were conducted in Belgium, Denmark, France, Germany, Hungary, Israel, the Netherlands, Singapore, Spain, Sweden, and the United States, as well as Great Britain

and Northern Ireland. As the investigation continues, additional targets will be identified and pursued.

The three convictions today, while the first U.S. convictions for Operation Higher Education, bring the total number of domestic convictions for Operation Fastlink to six thus far. The first Fastlink conviction was obtained in December 2004 when Jathan Desir pled guilty to violating the federal criminal copyright laws in Iowa City, Iowa. These domestic convictions follow the August 2004 conviction of a Higher Education target located in Singapore. That target, who was identified and referred by the FBI to Singapore authorities and was sentenced to 15 months in prison in Singapore, had paid members of Fairlight for the privilege of downloading pirated releases of computer games, which he then used as masters for the large-scale reproduction and sale of the games on optical disc media, such as CDs and DVDs.

Operation Higher Education is the result of 18 months of investigation conducted by the FBI's New Haven office in coordination with the U.S. Attorney's Office for the District of Connecticut and the Department of Justice's Computer Crime and Intellectual Property Section (CCIPS). Prosecuting the cases for the United States are Assistant United States Attorneys Maria Kahn and Edward Chang, and CCIPS Senior Counsel Kenneth L. Doroshov.

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